



Department
for Education

Changes to school teachers' pay and conditions 2014

Departmental advice for maintained
schools and local authorities

May 2014

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Summary

About this departmental advice

This is advice from the Department for Education. It is non-statutory and has been produced to help schools and governing bodies in making decisions on the appropriate remuneration and reward for school leaders in relation to the School Teachers' Pay and Conditions Document (STPCD) 2014, following recommendations from the School Teachers' Review Body. Revised arrangements for determining the pay of school leaders come into force with effect from 1 September 2014.

It also offers advice on changes in other areas arising from the STPCD 2014, including:

- the transitional arrangements in relation to the discontinuation of Chartered London Teacher (CLT) status;
- the use of allowances; and
- non-pay terms and conditions.

Expiry or review date

This advice will be kept under review and, if necessary, updated to reflect any amendments to the STPCD arising from the School Teacher Review Body's (STRB) recommendations on the 2014 pay award.

Who is this advice for?

This advice is relevant to all maintained schools covered by the STPCD in England and Wales and is for

- School leaders, school staff and governing bodies in all maintained schools.
- local authorities

Main points

- There is no need to reassess the pay or allowances of existing headteachers or leadership teams in September 2014.
- The pay of those in post will only need to be reviewed when there are **significant** changes to responsibilities.
- Pupil weighted numbers continue to provide the basis for determining individual pay ranges.

- The revised arrangements provide increased flexibility for schools to decide how they wish to reward their leadership teams to reflect individual performance and the challenges of the post.
- The new progression arrangements will apply to all school leaders from the 2014/15 appraisal year for payment from September 2015.
- Schools will need to revise their pay and appraisal policies from September 2014 as a consequence of the removal of points from the pay spines to clarify their approach to making performance-based pay decisions for the leadership group.
- All pay decisions must be made on objective criteria so that there is no discriminatory effect on any group of teachers with a particular protected characteristic under the Equality Act 2010.
- The principles underlying the core provisions on non-pay conditions remain unchanged.

Setting the pay of school leaders

Summary of changes

The main changes to the existing system are:

- a simplified framework for leadership pay and greater autonomy for schools to set leadership pay in the light of the school size, context and challenge;
- a simple approach to help governing bodies to set pay when appointing new headteachers, requiring them to assess the particular challenges and circumstances of their school and judge the extent to which these, together with the skills they are looking for, need to be reflected in the determination of a head's individual pay range;
- formal headroom above the current leadership maximum to incentivise and reward headteachers taking on some of the largest and most challenging leadership roles;
- removing spine points and fixed differentials - to provide greater flexibility for governing bodies to manage the performance and reward of school leaders, with individual decisions on pay progression to be made according to performance.

The changes are designed to enable governing bodies to exercise their judgement at the local level on the appropriate levels of pay for school leaders, according to the challenges and needs of the school.

Role of the governing body

The governing body's role in relation to leadership pay is to

- set the appropriate level of pay for the role;
- consider and adopt pay and appraisal policies, including the criteria for pay progression;
- assure themselves that appropriate arrangements for linking appraisal to pay are in place and can be applied consistently, and that pay decisions can be objectively justified;
- approve salaries and the award of performance pay in line with the school's pay policy;
- identify and consider budgetary implications of pay decisions and consider these in the school's spending plan.

New appointments – the three-stage process

You should adopt the following three-stage process when setting the pay for **new appointments** to headship or the wider leadership team.

There is no need to reassess the pay or allowances of existing headteachers or leadership teams in September 2014. This includes those who were appointed to a leadership post prior to 1 September 2014 but who will not take up post until on or after that date. The pay of those in post will only need to be reviewed when there are **significant** changes to responsibilities.

The three-stage process offers governing bodies substantial flexibility to set pay at the level needed to attract headteachers and other members of the leadership team by systematically considering the circumstances of the role before advertising the post.

The three stages are:

- Stage 1 – Defining the role and determining the headteacher group
- Stage 2 – Setting the indicative pay range
- Stage 3 – Deciding the starting salary and individual pay range

You should ensure that all decisions and the reasons for them are well documented at every stage. All pay decisions must be made on objective criteria so that there is no discriminatory effect on any group of teachers with a particular protected characteristic under the Equality Act 2010.

Stage 1 – Defining the role and determining the headteacher group

You should use this stage to define the job and identify the broad pay range as a provisional guide to determining an appropriate level of pay.

You will need to define and set out the specific role, **responsibilities and accountabilities** of the post as well as the **skills and relevant competences** required.

For headteacher posts you should assign the school to a headteacher group which will determine the appropriate broad pay range. This should be done by calculating the total unit score for the school in accordance with paragraphs 5-8 of the STPCD.

Prompt

Have you ensured that you have modified the total unit score to include, where appropriate, permanent responsibility for additional schools?

For other leadership group posts, you should consider how the role fits within the wider leadership structure of the school. The pay range for a deputy or assistant headteacher should only overlap the headteacher's pay range in exceptional circumstances.

Prompt

Have you ensured that you have modified the total unit score to include, where appropriate, permanent responsibility for additional schools?

Stage 2 – Setting the indicative pay range

At this stage you will need to consider the complexity and challenge of the role in the particular context of the school and make a judgement on pay in the light of this.

You should note that current discretionary payments, such as allowances for recruitment and retention, permanent additional responsibilities (e.g. the provision of initial teacher training (ITT)), and long-term provision to other schools, should be captured at this stage.

For headteacher posts it is expected that normally you will conclude that the total unit score fully captures the complexity of the headteacher role and that the relevant broad pay range accommodates appropriate levels of reward. You will wish to consider whether the indicative pay range should start at the minimum of the headteacher group or whether you wish it to start at a higher level because of the level of challenge of the post.

There may, however, be circumstances in which there are additional factors that suggest the indicative pay range should be higher than would be provided by the basic calculation in stage 1. The following represent some examples of the additional factors that you may wish to consider, but these are for *guidance only and are not intended to provide an exhaustive list*:

- **the context and challenge arising from pupils needs** e.g. if there is a high level of deprivation in the community (Free School Meal (FSM) entitlement and/or English as an Additional Language indicators may be relevant) or there are high numbers of looked after children or children with special needs or there is a high level of in-year churn/pupil mobility, and this affects the challenge in relation to improving outcomes;
- **a high degree of complexity and challenge** e.g. accountability for multiple schools or managing across several dispersed sites, which goes significantly beyond that expected of any headteacher of similar-sized school(s) and is not already reflected in the total unit score used at stage 1;
- **additional accountability not reflected in stage 1** e.g. leading a teaching school alliance;

- factors that may impede the school's ability to attract a field of appropriately qualified and experienced leadership candidates, e.g. location; specialism; level of support from the wider leadership team.

If you consider that circumstances warrant it, you can set the indicative pay range with a **maximum of up to 25%** above the top of the relevant headteacher group range. Above that limit, external independent advice must be sought and, should the advice suggest additional payment is appropriate, a business case must be made and agreed by the full governing body.

You should ensure that no **double counting** takes place, e.g. of things taken account of in stage 1, such as responsibility for an additional school already reflected in the total unit score; or from using overlapping indicators, such as FSM and the pupil premium.

You **should not** increase base pay nor pay an additional allowance for regular local collaboration which is part of the role of all headteachers.

For other leadership roles the process is broadly the same. You will wish to consider how the other leadership roles should be set in accordance with the level set for the headteacher and ensure that there is sufficient scope for progression.

At the end of this stage you should decide where in the broad range to position the indicative pay range and set this out clearly when you advertise the job. You should make an **overall judgement** on the position and breadth of range, allowing appropriate scope for performance-related progression over time, clearly linked to school improvement priorities and outcomes.

There should be a clear audit trail for all decisions made and the reasoning behind them.

Prompt:

Does the total unit score provide an appropriate pay range for the job?

Are there any additional factors that need to be taken into account in determining the indicative pay range?

You may consider that it is appropriate to apply more weight to some factors than others, e.g. the level of social challenge; managing more than one school; difficulty in making a suitable appointment. For those factors which are not expected to persist, such as temporary responsibility for an additional school, these should be reflected through an allowance rather than consolidated into the indicative pay range.

Is the role so challenging that the pay range should extend above the maximum of the headteacher group for the school?

Have you considered whether there is any relevant benchmarking information available that would support your judgement on whether the pay range is justifiable?

Do you know where you can go for further assistance or support, e.g. HR advice, in exercising your judgements?

Does the pay range provide scope for performance-related progression over time?

What is the appropriate differential between the pay ranges for different leadership posts? You will want to be sure that you consider the equality implications of any decisions over differentials.

Is there an audit trail to show the basis on which decisions have been made?

Stage 3 – Deciding the starting salary and individual pay range

The first two stages provide the means for determining the appropriate pay range. The third stage is essentially about deciding on the starting salary for the individual who is to be offered the post.

At this stage you will have a preferred candidate for the role and will wish to set the starting salary in the light of candidate-specific factors, such as the extent to which the candidate meets the specific requirements of the post.

It will be important for you to ensure that there is scope for performance-related progression over time.

Prompt:

Have you considered what you would be willing to offer as the upper limit of a starting salary?

Some examples of how the three-stage process might be used in practice are provided in the Annex.

Establishing a pay range above the school's headteacher group

The expectation is that in most cases the pay range will be within the limits of the headteacher group. However, in some cases, e.g. where there may be significant difficulty in making an appointment or there is a need to incentivise a head to take on

responsibility for a very large school or to lead multiple large schools, it may be appropriate to consider extending the individual pay range.

The governing body can in such cases decide that the maximum of the pay range may be above the maximum of the headteacher group, **up to** an additional 25%.

It should be wholly exceptional for the maximum of the pay range to be more than an additional 25% higher than the maximum of the headteacher group. If it is considered that there are exceptional circumstances that warrant an extension beyond that limit, a business case would be required. You would need to seek external independent advice from an appropriate person or body who can consider whether it is justifiable to exceed the limit in a particular case. There must be a clear audit trail for any advice given and a full and accurate record of all decisions made and the reasoning behind them.

Pay progression

It is the responsibility of the governing body to ensure that performance-based progression awards reflect individual performance.

Pay progression for members of the leadership group is already linked to performance, but governing bodies have had only limited scope to differentiate or increase the progression reward available.

The removal of the spine points gives greater flexibility to decide on the level of progression award appropriate to an individual's performance.

Schools should review and update their pay policies on an annual basis to ensure that they remain fit for purpose. They will need to revise their pay policies to reflect the changes to setting leadership pay and to clarify their approach to making decisions about pay progression for the leadership group. Governing bodies will need to satisfy themselves that objective-setting is rigorous and that the school's pay policy provides a clear link between levels of achievement and progression.

You will have the freedom to award progression increases as you judge appropriate in your particular circumstances. Although no progression award should be made if it is not justified, you may find it helpful to indicate the pay level that might be achieved after a certain period, subject to sustained, high quality performance, through the establishment of pay points on those ranges which will be used by the school. While you will have the flexibility to devise your own arrangements, one option could be to convert the previous leadership group spine points into reference points. In that case the reference points between the minima and maxima for the leadership pay ranges would be as follows, although schools are, however, free to depart from these reference points if they wish:

| Discretionary Reference Points | | | | |
|--------------------------------|---|-------------------|-------------------|-------------|
| | England and Wales (excluding the London Area) | Inner London Area | Outer London Area | Fringe Area |
| | £ | £ | £ | £ |
| Minimum | 37,836 | 44,986 | 40,838 | 38,878 |
| | 38,784 | 45,938 | 41,787 | 39,828 |
| | 39,752 | 46,910 | 42,752 | 40,795 |
| | 40,743 | 47,898 | 43,748 | 41,790 |
| | 41,757 | 48,917 | 44,762 | 42,806 |
| | 42,803 | 49,961 | 45,805 | 43,851 |
| | 43,957 | 51,117 | 46,961 | 45,006 |
| | 44,971 | 52,128 | 47,974 | 46,013 |
| | 46,094 | 53,248 | 49,096 | 47,140 |
| | 47,277 | 54,433 | 50,282 | 48,323 |
| | 48,505 | 55,656 | 51,503 | 49,547 |
| | 49,622 | 56,779 | 52,628 | 50,671 |
| | 50,863 | 58,020 | 53,869 | 51,912 |
| | 52,131 | 59,287 | 55,129 | 53,177 |
| | 53,429 | 60,580 | 56,428 | 54,470 |
| | 54,849 | 62,006 | 57,850 | 55,896 |
| | 56,109 | 63,267 | 59,112 | 57,162 |
| | 57,520 | 64,677 | 60,525 | 58,565 |
| | 58,946 | 66,103 | 61,952 | 59,992 |
| | 60,408 | 67,564 | 63,412 | 61,458 |
| | 61,901 | 69,059 | 64,907 | 62,955 |
| | 63,440 | 70,596 | 66,440 | 64,488 |
| | 65,011 | 72,162 | 68,012 | 66,054 |
| | 66,623 | 73,780 | 69,624 | 67,673 |
| | 68,279 | 75,433 | 71,281 | 69,323 |
| | 69,968 | 77,122 | 72,970 | 71,018 |
| | 71,701 | 78,853 | 74,702 | 72,746 |
| | 73,480 | 80,634 | 76,483 | 74,523 |
| | 75,300 | 82,457 | 78,301 | 76,349 |
| | 77,174 | 84,330 | 80,175 | 78,217 |

| Discretionary Reference Points | | | | |
|--------------------------------|---|-------------------|-------------------|-------------|
| | England and Wales (excluding the London Area) | Inner London Area | Outer London Area | Fringe Area |
| | 79,081 | 86,238 | 82,087 | 80,130 |
| | 81,047 | 88,201 | 84,048 | 82,096 |
| | 83,061 | 90,216 | 86,066 | 84,110 |
| | 85,114 | 92,270 | 88,119 | 86,163 |
| | 87,229 | 94,386 | 90,231 | 88,279 |
| | 89,390 | 96,543 | 92,388 | 90,436 |
| | 91,612 | 98,771 | 94,616 | 92,658 |
| | 93,878 | 101,032 | 96,881 | 94,925 |
| | 96,166 | 103,319 | 99,167 | 97,209 |
| | 98,566 | 105,726 | 101,571 | 99,616 |
| | 101,029 | 108,190 | 104,034 | 102,076 |
| | 103,560 | 110,714 | 106,558 | 104,609 |
| Maximum | 106,148 | 113,303 | 109,151 | 107,199 |

Fixed-term contracts

The expectation is that the vast majority of headteacher appointments will be on permanent contracts.

You may however wish to consider offering a fixed-term contract where you determine that the circumstances of the school require it, for example to attract a good candidate where there is a high degree of professional risk associated with the task, such as turning around a school assessed to be vulnerable to a poor Ofsted judgement or a school that is judged as requiring improvement or special measures. In establishing such a contract you will wish to consider how reward should be structured and whether achievement of objectives should be assessed over a shorter or longer timescale than would normally be the case.

If you wish to make use of fixed-term contracts, you will need to ensure that your school's pay policy has been revised to include details of how these contracts will be used and how rewards will be made.

Other changes

Allowances

The main changes to the existing system are

- retaining a national framework of allowances, but removing the requirements for specific differentials between different payments in the same school;
- streamlining the allowances available to headteachers.

The need for a minimum differential of £1500 between the value of Teaching and Learning Responsibility payments (TLRs) paid to teachers on the same pay range within a school has been removed. Schools now have the freedom to decide for themselves the relative weight of TLR posts and the appropriate levels of reward. Posts of equal weight should be allocated equal value. Schools should set out their approach and the rationale for it in their pay policy.

Prompt:

You will need to ensure that, as with all other aspects of your pay policy, any decisions are made on objective criteria so that there is no discriminatory effect on any group of teachers with a particular protected characteristic under the Equality Act 2010.

The expectation is that the new approach to setting pay for headteachers will make additional payments by means of allowances largely unnecessary. The exception to this will be for temporary or irregular responsibilities or other very specific reasons which it is not appropriate to incorporate into permanent pay, such as housing or relocation costs. Such payments should be clearly time-limited from the outset and cease when the responsibility ceases or circumstances change. Safeguarding does not apply to such payments. The total value of the salary and temporary payments made to a headteacher in any one year must not exceed 25% above the maximum of the Headteacher Group for their school.

The principles for payment of allowances for members of the wider leadership group should be consistent with those for head teachers.

Chartered London Teacher status

The Chartered London Teacher (CLT) scheme will close on 1 September 2016.

The last opportunity for teachers who wish to register their intention to apply will be 1 September 2014.

Transitional arrangements for the scheme will come into effect from 1 September 2014.

Teachers registered by 1 September 2014 will need to submit their application for CLT status by 1 September 2016. The criteria for teachers who wish to apply for CLT status are set out in paragraph 30.2 of the STPCD 2014. To be eligible to apply, teachers must:

- have worked in London state schools for at least four years;
- be paid on the pay range for leading practitioners, or be a member of the leadership group, or be paid on the upper pay range, or meet the definition of post-threshold teacher or have been an AST or ET under an earlier STPCD;
- have evidence to demonstrate all of the CLT standards and have been registered on the CLT programme for at least two years.

Non-pay terms and conditions

The STRB recommended that the detailed guidance about the framework of non-pay terms and conditions, much of which was introduced over a decade ago, and the illustrative list of 21 tasks that teachers should not routinely be expected to carry out, are no longer necessary or desirable. The STRB considered that schools should be able to use their discretion to make sensible professional judgements at school level about how to apply the statutory principles underlying the non-pay conditions to best meet the needs of their pupils. These recommendations were accepted.

Schools should however note that the core provisions on the principles of working time, planning, preparation and assessment (PPA) time, “rarely cover” and not routinely being required to undertake administrative and clerical tasks remain unchanged. Schools are responsible for ensuring full compliance with all the statutory provisions.

Annex

Using the three-stage process – illustrative examples

1. A school with 200 pupils on roll has a vacancy for a head. Its last inspection 18 months previously judged it a good school with only minor issues to address. Under stage 1 it is assigned to headteacher group 2 - the broad pay range for the head's post is £44,971-£61,901. Under stage 2 the governing body considers that there are no additional factors that need to be taken into account and decides to set the indicative pay range at £45,000-£53,500. Having selected a candidate who met all the requirements of the job specification, the governing body decides to set the salary on appointment at £46,500.
2. A school with 200 pupils on roll has a vacancy for a head. It is a challenging school with a much higher than average proportion of pupils on Free School Meals and it has recently been rated by Ofsted as requiring improvement. Under stage 1 it is assigned to headteacher group 2 – the broad pay range for the head's post is £44,971-£61,901. Under stage 2 the governing body considers that, because of the particular challenges that the school is facing, it needs to recruit an experienced school leader who has the skills and competences to take the school forward. It decides to set the indicative pay range towards the top of the broad range, i.e. £54,000-£61,900. Having selected a candidate who met all the requirements of the job specification, the governing body decides to set the salary on appointment at £55,000.
3. A school with 200 pupils on roll is in a federation with a similar school of the same size. One school is performing well, but the other has recently been placed in special measures. The vacancy is for a headteacher who will be accountable for the federation's schools' outcomes. Under stage 1 the post is assigned to headteacher group 3 – the broad pay range is £48,505-£66,623. Under stage 2 the governing body considers that, due to the complexity of the role and the challenges involved in managing more than one school (one of which requires a real focus on improvement), it needs to recruit an experienced head with a very particular skillset. It decides that, because there may be difficulty in appointing, it may be necessary to consider extending the indicative pay range beyond the maximum of the group 3 pay range. It decides to set the indicative pay range at £61,000-£73,000. Having selected an appropriate candidate, the governing body decides to set the salary on appointment at £64,000.
4. A secondary school with 600 pupils on roll in a challenging area with a much higher than average proportion of pupils on Free School Meals. Under stage 1 the head's post is assigned to headteacher group 5 – the broad pay range is £57,520-£79,081. Under stage 2 the governing body considers that, due to the challenge of the role and the fact that the school is a teaching school, it requires an

experienced high-performing headteacher. It sets an indicative pay range at £61,000-£70,000. Following some difficulty in recruiting, it has selected a candidate with a very strong track record in headship and decides that it would be appropriate to revise the pay range for the post. It sets the salary on appointment at £69,000 with scope to progress to £79,000 over time, subject to performance.

5. A large secondary school with 2,000 pupils on roll is in a federation with another school with 1,000 pupils. Under stage 1 the post is assigned to headteacher group 8 – the broad pay range is £73,480-£106,148. Under stage 2 the governing body considers that, due to the accountability for two schools with a very large total number of pupils, it would be appropriate to extend the indicative pay range beyond the maximum of group 8. Using its discretion to extend by up to 25%, it decides to set the indicative pay range at £106,000-£122,000. Having selected a candidate, the governing body decides to set the salary on appointment at £106,000.
6. The governors of three separate, small rural schools wish to appoint an executive head. Under stage 1 the total unit score for the three schools assigns the post to headteacher group 1 – the broad pay range is £42,803-£57,520. Under stage 2 an appointing committee representing the three governing bodies considers that, because of the challenges of such a post involving three schools and three budgets, they need to recruit an experienced school leader and decide to extend the indicative pay range beyond the maximum of group 1. Using its discretion to extend by up to 25%, it decides to set the indicative pay range at £55,000-£65,000. Having selected a candidate, the salary on appointment is set at £55,000.



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